



Report to the Auburn City Council

Action Item
Agenda Item No. 6
City Manager's Approval

To: Honorable Mayor and City Council Members
From: Andy Heath, Administrative Services Director
Date: April 23, 2012
Subject: Assignment of Auburn Airport Land Lease from Chet Eccles III to Ash David Vidal

The Issue

Shall the City Council consent to the assignment and assumption of a land lease from Chet Eccles III to Ash David Vidal, and authorize the execution of all related documents?

Conclusions and Recommendations

By **RESOLUTION**, authorize the City Manager or his designee to approve the assignment and assumption of the land lease between the City of Auburn and Chet Eccles III to Ash David Vidal, and authorize the execution of all related documents.

Background

On November 14, 2011, the City Council approved a 49-year land lease between the City of Auburn and Chet Eccles III. This lease originated as a result of a lot split, approved on the same day, creating two separate and distinct lots / leases, both leased by Chet Eccles III. The land lease being assigned comprises approximately 12,527 square feet of real property upon which a hangar is built at the Auburn Airport.

Analysis

As a means to facilitate the assignment of the lease, Chet Eccles III is selling the hangar and has requested the City's consent to assign the leasehold interest for the above referenced premises to Ash David Vidal. In addition to the City's approval of the lease assignment, staff recommends the City consent to the execution of any related documents including the recording, by the Placer County Recorder's Office, of a memoranda of lease for the affected parcel, if necessary.

Alternatives Available to Council; Implications of Alternatives

1. Adopt a resolution authorizing the City Manager or his designee to approve the assignment and assumption of the lease from Chet Eccles III to Ash David Vidal.
2. Do not adopt a resolution and direct staff accordingly.

Fiscal Impact

None. The monthly lease amount of \$187.01 currently paid by Chet Eccles III will be assumed by the assignees to the lease.

Exhibit A – Assignment of Lease with Consent

ASSIGNMENT OF LEASE WITH CONSENT
(AUBURN MUNICIPAL AIRPORT)

This Assignment of Lease with Consent ("**Assignment**") dated as of _____, 2012 (the "**Effective Date**") is made and entered into for good and valuable consideration by and between Chet Eccles III ("**Assignor**") and Ash David Vidal ("**Assignee**"), with reference to the following facts:

RECITALS

A. The City of Auburn ("City") and Assignor's predecessor in interest, Gerald Murch ("Murch") entered into that certain Auburn Airport Industrial Park Industrial Site Lease dated October 1, 1985 (the "1985 Lease"), pursuant to which Murch leased certain property at the Auburn Airport commonly referred to as Lot 11 (the "1985 Premises").

B. The 1985 Lease was subsequently assigned on or about August 28, 1989, to Assignor, and Assignor was granted a right of first refusal to lease the west one-half of Lot 12.

C. Effective as of November 9, 1992, the 1985 Lease was amended by that certain Addendum to Lease of Lot 11 at Auburn Airport Industrial Park to extend the term of the 1985 Lease by 25 years, so that the term of the 1985 Lease was extended until September 30, 2060 (as amended, the "1992 Lease").

D. By that certain Second Amendment to Lease dated November 14, 2011 (the "1992 Lease as Amended"), and that certain Industrial Site Lease also dated November 14, 2011 (the "2011 Lease"), City and Assignor split the Leased Premises into two lots: The Leased Premises for the Second Amendment to Lease is Lot 11-S, and the Leased Premises for the 2011 Lease is Lot 11; Lot 11 is commonly known as 2399 Rickenbacker Way, consists of 12,527 square feet, and is legally described on Exhibit A attached hereto.

E. Assignor now desires to assign the 2011 Lease to Assignee, and Assignee desires to accept the assignment thereof.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Assignor, Assignee and City agree as follows:

1. Effectiveness. This Assignment shall be effective as of the Effective Date.
2. Assignment, Assumption and Consent. Assignor hereby assigns and delegates to Assignee, and Assignee hereby accepts and assumes from Assignor, all of Assignor's rights and obligations as the "Lessee" under the 2011 Lease with respect to the Leased Premises and the improvements constructed thereon. Without limiting the foregoing, Assignee hereby agrees, for the benefit of Assignor and the City, to perform all of the obligations of the "Lessee" under the 2011 Lease that relate to the Leased Premises and the improvements constructed thereon. The City hereby consents to the assignment and delegation by Assignor, and the acceptance and assumption by Assignee, of such rights and obligations.

3. Release of Assignor. The City hereby releases and discharges Assignor from any obligations of "Lessee" under the 2011 Lease occurring on and after the Effective Date.

4. Entire Agreement. This Assignment, together with the 2011 Lease is the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the parties with respect to the matters contained in this Assignment. Any waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by or in behalf of the party to be bound thereby. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

5. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California without giving effect to its conflicts of law principles.

6. Third Party Beneficiaries. No third party shall have any rights under this Assignment.

7. Subject to 2011 Lease. This Assignment is subject to all the terms, conditions and provisions of the 2011 Lease.

ASSIGNOR:

ASSIGNEE:

Chet Eccles III

Ash David Vidal

CITY:

THE CITY OF AUBURN,
a municipal corporation

By: _____

Robert Richardson
City Manager

Attest:

Joseph J. R. LaBrie
City Clerk

Approved as to form:

Michael G. Colantuono
City Attorney

Exhibit A

Description of the Leased Premises

2399 Rickenbacker Way, Lot 11

[to be attached]

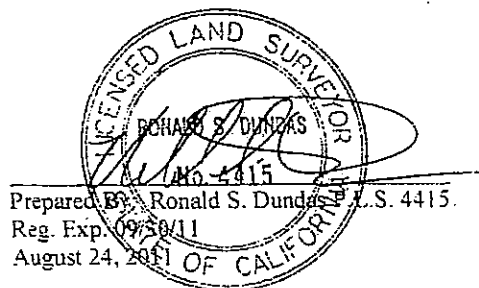
PROPERTY DESCRIPTION

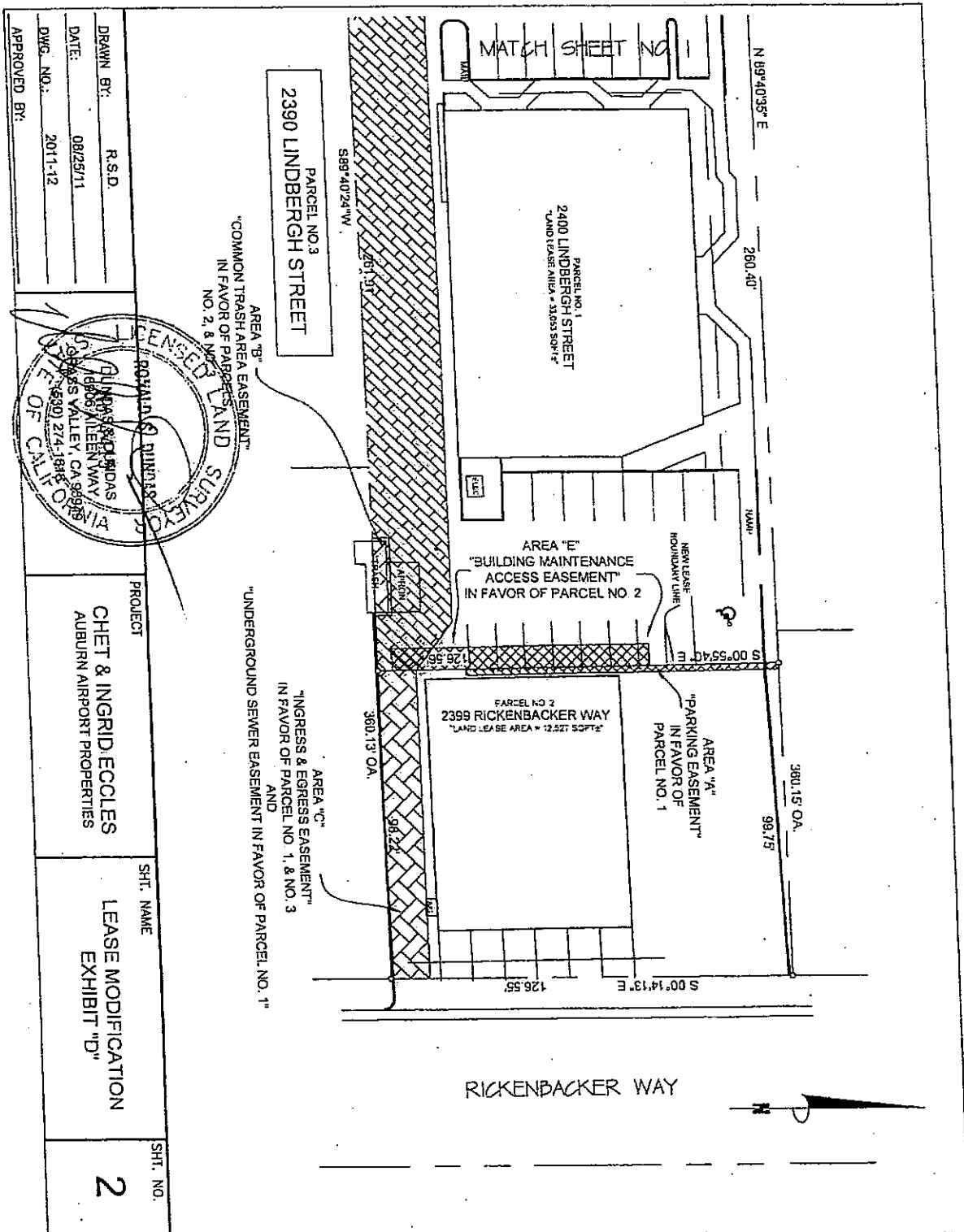
PARCEL NO. 2

All that real property situate in the City of Auburn, County of Placer, State of California, described as follows:

Being a portion of that certain real property shown upon that certain Record of Survey Map No. 1847 of the Auburn Airport, recorded in Book 14 of Surveys at Page 66, Placer County Records, designated on sheet no. 4 of said map as "CHET ECCLES III #79-88" more particularly described as follows:

Beginning at a point in the southerly boundary of said Eccles parcel, from which point a $\frac{3}{4}$ " iron pin with a copper collar stamped LS 4571, marking the southwest corner of said property, bears South 89°40'24" West 261.91 feet; thence continuing along said southerly boundary line, North 89°40'24" East 98.22 feet, more or less, to the southeast corner of said Eccles parcel; thence continuing along the easterly boundary line of said Eccles parcel, North 00°14'13" West 126.55 feet, more or less, to the northeast corner thereof; thence continuing South 89°40'35" West 99.75 feet, along the northerly boundary line of said Eccles parcel; thence leaving said north line, South 00°55'40" East 126.56 feet, more or less, to the point of beginning, containing 12,527 square feet, more or less.





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RESOLUTION NO. 12-
RESOLUTION APPROVING ASSIGNMENT OF AIRPORT LAND LEASE FROM CHET
ECCLES III TO ASH DAVID VIDAL

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

That the City Council of the City of Auburn does hereby authorize the
City Manager or his designee to approve the assignment and assumption of the
Land Lease between the City of Auburn and Chet Eccles III to Ash David Vidal,
and authorize the execution of all related documents.

DATED: April 23, 2012

Keith Nesbitt, Mayor

ATTEST:

Joseph G. R. Labrie, City Clerk

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby
certify that the foregoing resolution was duly passed at a regular meeting of
the City Council of the City of Auburn held on the 23rd day of April 2012 by the
following vote on roll call:

Ayes:
Noes:
Absent:

Joseph G. R. Labrie, City Clerk